



**Commerce Primary Sector Workforce  
Training Grant Program**

**Application Guidelines  
FY2012 through FY2013**

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## **Commerce Primary Sector Workforce Training Grant Program**

### **Application Guidelines FY2012 through FY2013**

#### **DESCRIPTION OF THE WORKFORCE TRAINING GRANT PROGRAM**

The Primary Sector Workforce Training Grant Program, also known as the WTG Program, provides grant funds to businesses for training of new full-time and part-time workers. Full-time means a predominantly year-round position requiring an average of 35 hours of work each week. Part-time means a predominantly year-round position requiring an average of 25 to 34 hours of work each week. The Program is administered by the Montana Department of Commerce with the Department Grant Review Committee making the actual grant award decisions.

#### **Business Eligibility**

The Primary Sector Business Workforce Training Act, §§39-11-101, MCA, et seq., is designed to encourage the creation of jobs in primary sector businesses.

The Grant Review Committee may award workforce training grant funds to primary sector businesses that provide education or skills-based training through eligible training providers to employees in new jobs.

To be potentially eligible for a grant, an applicant shall demonstrate:

- at least 50% of the applicant's sales occur outside of Montana or that the applicant is a manufacturing company with 50% of its sales from companies that have 50% of their sales outside of Montana,
- and must meet at least one of the following criteria:
  - be a value-adding business as defined by the Montana Board of Investments; demonstrate a significant positive economic impact to the region and state beyond the job creation involved;
  - be a new business that provides, as determined by the Grant Review Committee, a product or a service that is not available in Montana or a substantially similar product or service that is not

available in Montana, which results in state residents leaving the state to purchase the product or service;

- provide a service or function that is essential to the locality or the state; or
- be a for-profit or a nonprofit hospital or medical center providing a variety of medical services for the community or region.

In order for an eligible business to apply for a job training grant the business shall also meet all of the following conditions:

- Create at least one new job in Montana;
- Pay trainees at least the average wage that meets or exceeds the lesser of 170% of Montana's current minimum wage or the current average weekly wage of the county, providing minimum wage requirements are met. The value of employee benefits can be included in this calculation. Eligible benefits are considered those benefits not required by federal law. **The current county/state average wage is located on the program website and is compiled by the Montana Department of Labor and Industry as the "Montana Average Wage by County – Annual Average – All Industries."**  
<http://wtg.mt.gov>
- Have a need for education or training for the employees; and
- Demonstrate that the business expansion is financially feasible.

### **Definition of New Job**

"New job" means a newly created additional job in an eligible business. Only net increases in new jobs are eligible for training funds. "Full-time job" means a predominantly year-round position requiring an average of 35 hours of work each week. "Part-time job" means a predominantly year-round position requiring an average of 25 to 34 hours of work each week.

The term does not include:

- (a) jobs for recalled employees returning to positions held previously, for replacement employees, or for employees newly hired as a result of a labor dispute, seasonal jobs, or other jobs that previously existed within the employment of the employer in the state during the past two years; or
- (b) jobs created by an employer as the result of an acquisition of a Montana company or entity if those jobs previously existed, during the past three years, in the state of Montana in the acquired company or entity unless it is demonstrated that the jobs:
  - are substantially different as a result of the acquisition; and

- will require new training for the employee to meet new job requirements.

### **Grant Award Ceiling and Thresholds**

The Grant Review Committee ultimately determines the size of the grant. The maximum grant award is \$5,000 for each new full-time position and \$2,500 for each new part-time position. The Grant Review Committee may, in exceptional circumstances, consider a higher grant ceiling for jobs that will pay high wages and benefits if the need for higher training costs is documented in the application.

A grant provided under this section must be proportional to the number of new jobs provided, the expected average annual wage of all jobs provided, and the underlying economic indicators of the region where the majority of the jobs will be created. Funding ceilings must be determined by the availability of funding, the cost for each job, the quality of the primary sector business offer, and whether training will be provided in Montana.

### **Match Requirements**

The business is required to provide a match of at least \$1 for every \$3 awarded.

The match:

- (a) must be from new, unexpended funds available at the time of application;
- (b) may include new loans and investments and expenditures for direct project-related costs such as new equipment and buildings. The Grant Review Committee may consider recent purchases of fixed assets directly related to the proposal on a case-by-case basis. A purchase of fixed assets directly related to the proposed training activities that have been made within 90 days of submission of the application may be considered eligible by the Grant Review Committee.

### **Eligible Costs**

The grant award may only be used for direct costs associated with education or skills-based training for new employees. All necessary and incidental costs of providing workforce training and education directed to the jobs are eligible for a grant. This includes all direct training costs, such as:

- training program promotion;
- instructor wages, per diem, and travel;
- curriculum development and training materials;
- lease of training equipment and training space;
- miscellaneous direct training costs (such as employee training-related travel);
- administrative costs associated with training;

- training assessment and testing;
- in-house or on-the-job training; and
- subcontracted services with eligible training providers.

Eligible costs that are not direct costs attributable to specific new employees (such as instructor costs, curriculum development and administrative costs) must be pro-rated and allocated to each eligible new employee receiving training for which reimbursement is requested. The pro-rated costs then count towards the maximum \$5,000/\$2,500 training cost per eligible new employee.

The following are not eligible for grant monies:

- the purchases of equipment to be owned or utilized by the training provider; and
- salary or wages paid to employees during training.

### **Confidentiality Agreements**

Once information is submitted to the Montana Department of Commerce, the information is subject to the public's right to know pursuant to Article II, Section 9 of the Montana Constitution. Written information is subject to the right of citizens to inspect and copy pursuant to §2-6-102, MCA, unless there is an individual privacy interest that clearly exceeds the merits of public disclosure.

Prior to any potentially confidential information being submitted, the company may enter into a confidentiality agreement with the Montana Department of Commerce and provide an affidavit so that there is a clear understanding of the rights and obligations of the company relative to protection of sensitive information in Montana. A sample agreement will be provided upon request and is available on the website at: <http://wtg.mt.gov>

### **Additional Workforce and Education Services**

Additional workforce services are available to companies outside the Primary Sector Workforce Training Grant program. These programs include the following:

#### **Montana Department of Commerce**

Big Sky Economic Development Trust Fund

<http://bstf.mt.gov/default.mcpx>

Community Development Block Grant Program – Economic Development

<http://cdbged.mt.gov/default.mcpx>

#### **Montana Department of Labor and Industry**

State Registered Apprenticeship and Training Program

<http://wsd.dli.mt.gov/apprenticeship/default.asp>

Incumbent Worker Training Program

<http://wsd.dli.mt.gov/service/iwt.asp>

## **GRANT APPLICATION SUBMITTAL PROCESS**

The Business Resources Division in the Montana Department of Commerce is the primary point of contact for initiating a grant application and working through the process leading to a grant award. The application should follow the guideline format and provide responses to the categories of information requested below. The Project Application Form and Sources and Uses Statement must be completed and included with the application.

Please make inquiries and submit applications to:

Primary Sector Workforce Training Grant Program  
Business Resources Division  
Montana Department of Commerce  
Post Office Box 200505  
301 South Park Avenue – Room 107  
Helena, Montana. 59620-0505

Nancy Faroni, Workforce Training Grants Section Manager (406) 841-2744  
[nfaroni@mt.gov](mailto:nfaroni@mt.gov)

Final grant award decisions are made by the Director of the Montana Department of Commerce. The Montana Department of Commerce will work directly with potential applicants in order to determine business eligibility and project feasibility.

The application consists of four sections: business plan, financial statements, projections and hiring and training plan. The Montana Department of Commerce may request additional information as needed.

### **1. Business Plan**

Each application must include a business plan containing information that is sufficient for the Grant Review Committee to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, management experience of principals, current financial position, and details of the proposed venture. In lieu of a business plan, the Grant Review Committee may consider a complete copy of the current loan application to entities such as the Montana Board of Investments, the federal Business and Industry Guarantee program, or the Small Business Administration.

The financial information submitted must demonstrate that the business to be assisted is or will be an ongoing viable company that can achieve and maintain the amount of employment projected.



The Grant Review Committee reserves the right to request additional information or accept reasonable variations from the information requirements listed above, on a case-by-case basis, if necessary to make a funding decision.

## **2. Financial Statements**

For an existing business, provide financial statements for the two most recent years of operation that includes the following:

- Balance Sheets
- Profit and Loss Statements
- Cash Flow Statements

Business start-ups and businesses operating for less than three years must provide all available financial statements.

If the last complete fiscal year of the business ended 90 days or more before the application is submitted, interim financial statements must be submitted in addition to the year-end financial statements.

There should not be gaps between the historical statements and the projected statements. The projections should use the same fiscal year periods as the historical financial statements. Applications that contain appropriate, updated, accurate financial information can be processed much more quickly than incomplete applications that require requests for additional information.

## **3. Projections**

Please provide the following projections for two years:

- Balance Sheets
- Profit and Loss Statements
- Cash Flow Statements

Variations on the projections may be accepted at the discretion of the Grant Review Committee on a case-by-case basis.

## **4. Hiring and Training Plan**

The primary goal of this economic development activity is to increase year-round and permanent job opportunities. In the event of grant award, the applicant's commitment to the Hiring and Training Plans will be binding. The assisted

business must show substantial compliance with the hiring and training plan and a "good faith" effort toward the actual accomplishment of the hiring goals set out in the grant agreement before the project can be closed out. Hiring goals should be reasonable and justified by the financial statements and projections. Claims for the number of jobs to be created should be realistic and supported by the financial projections and business plan.

The Montana Department of Labor and Industry will review the training plan to ensure it complies with the statutory requirement that training be conducted by eligible training providers. Applications that propose in-house training must demonstrate that the training process and methods are sufficient to be approved for the eligible training provider list by DOLI.

Before any grant monies are advanced, the company will be required to sign a contract specifying terms of the grant and repayment requirements should the company fail to maintain the jobs, wage levels or training specified in the grant application. The contract will incorporate the application and hiring and training plans by reference, which will be binding. At a minimum, the hiring and training plan submitted in the application must specify:

- Projected increase in number of employees and the company's annual payroll – current and projected – at the site and for any other operations within the State of Montana. Employee information must include projections for:
  - Number of net new full time positions – including estimated hours worked per week.
  - Number of net new part-time positions –including estimated hours worked per week.
  - Salary or wage per hour for each employee to be trained.
  - Estimate of pre-expansion and post-expansion annual payroll.
  - Timetable for phase-in of net new employees.
- Description and monetary value of employee benefits for each position.
- Schedule for completion of worker training and costs associated with that training.
- Certification that the amount of the grant advanced to date will be reimbursed in the event that the primary sector business ceases operation in the state of Montana within the grant contract period, which may be up to two years.
- An assurance that the business will comply with the equal opportunity and nondiscrimination laws.
- Procedures for outreach, recruitment, screening, selection, training and placement of workers.
- A description of the training curriculum and resources.

## **MANAGEMENT OF FUNDS**

The business may receive grant funds periodically over the contract period upon documenting the creation of eligible jobs, the hiring of employees for the jobs, after incurring eligible training expenses and the meeting the required wage rate. The business will submit biannual status reports on project performance in the format prescribed by the Montana Department of Commerce. The business agrees to provide access to all payroll and employment records for in-state operations including authorization to review unemployment insurance and training records.

### **Request for Funds**

Funds may be requested by sending a letter on official letterhead signed by two individuals, one of which must be the contact listed in the contract or the individual who signed the contract, with the following information included or attached:

- Names and current positions of employees being trained including whether the positions are full-time or part-time positions
- Current salaries, including benefits, of trainees and any changes to salaries through the project
- Summary of the training program and overall goal (certifications, skills, new positions to be filled by trainees, etc.) for each trainee
- Summary of training accomplished for the period in which funds are being requested
- Total cost and breakdown of costs and supporting documentation for each employee for which funds are being requested
- Amounts requested for each trainee and amount remaining of the \$5,000/\$2,500 ceiling after the request
- Amount of matching funds expended to date
- Total amount requested and total remaining under the contract
- Total payroll and employment for statewide operations, and
- Any other pertinent information related to the grant and progress on the hiring and training plan.

### **Biannual Status Reports**

Unless otherwise specified by the Montana Department of Commerce, the business will submit biannual progress reports to the Montana Department of Commerce until the goals contained in the plan have been achieved, and the business receives project closeout approval from the Montana Department of Commerce. The information must be provided no later than January 31 and July 31 for each year of the contract and at closeout of the contract. The reports must provide, at a minimum, evidence of total payroll and employment for statewide operations, information on training completed during the report period in reference to the training plan as submitted in the application, and future training goals for the next report period.



## APPENDIX A

### PRIMARY SECTOR WORKFORCE TRAINING GRANT PROGRAM

#### PROJECT APPLICATION FORM

##### **APPLICANT INFORMATION**

Business Name: \_\_\_\_\_ Tax ID # \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

##### **PROJECT SUMMARY**

Total Amount of Grant Funds Requested: \_\_\_\_\_

Total Project Cost (must match Sources and Uses Statement): \_\_\_\_\_

Total Match: \_\_\_\_\_ Current Employment Level: \_\_\_\_\_

Total # of WTG eligible full-time jobs to be created: \_\_\_\_\_

Total # of WTG eligible part-time jobs to be created: \_\_\_\_\_

##### **Proposal Summary**

Please provide a brief summary of this proposal which describes what WTG funds would be used for: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**The undersigned authorized representative hereby certifies that** the information in this application is correct to the best of his/her knowledge; s/he has received, read, and understood the guidelines for the grant and agrees to comply with all requirements; and s/he has the authority to act on behalf of the company in submitting this application.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name and Title**

## BUSINESS PLAN

Page #: \_\_\_\_\_

*See Application Guidelines: Grant Application Submittal Process, 1. Business Plan, page 8*

Attach a current business plan which must contain sufficient information for the Montana Department of Commerce to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, principals' management experience, current financial position and proposed venture details.

## FINANCIAL STATEMENTS

Page #: \_\_\_\_\_

*See Application Guidelines: Grant Application Submittal Process, 2. Financial Statements, page 9*

Attach the two most recent years of Balance Sheets, Profit and Loss Statements, and Cash Flow Statements

## FINANCIAL PROJECTIONS

Page #: \_\_\_\_\_

*See Application Guidelines: Grant Application Submittal Process, 3. Projections, page 9*

Attach two years of projections of Balance Sheets, Profit and Loss Statements, and Cash Flow Statements

## HIRING AND TRAINING PLAN

Page #: \_\_\_\_\_

*See Application Guidelines: Grant Application Submittal Process, 4. Hiring and Training Plan, page 9*

Attach a Hiring and Training Plan which must include the following:

- Annual payroll estimates pre and post-expansion and wages for each employee to be trained Page #: \_\_\_\_\_
- Description and monetary value of employee benefits for each position to be trained Page #: \_\_\_\_\_
- Number of new full-time positions and timetable for phase-in of new employees, if applicable Page #: \_\_\_\_\_
- Number of new part-time positions and timetable for phase-in of new employees, if applicable Page #: \_\_\_\_\_
- Procedures for outreach, recruitment, screening, selection, training and placement of workers Page #: \_\_\_\_\_
- Description of the training curriculum and resources and schedule for completion of worker training Page #: \_\_\_\_\_
- Training budget, including all costs associated with the training plan Page #: \_\_\_\_\_
- Assurance of equal opportunity and nondiscrimination laws compliance Page #: \_\_\_\_\_

## SOURCES & USES OF FUNDS STATEMENT

Page #: \_\_\_\_\_

*See Application Guidelines, page 14*



## APPENDIX B

### PRIMARY SECTOR WORKFORCE TRAINING GRANT PROGRAM

#### SOURCES AND USES OF FUNDS STATEMENT

Please list all sources and uses of funding for the project. Include financing, grants, donations, equity. Indicate in the Commitment Status column whether proposed, requested, or approved. Examples of Uses of Funds are training, building construction, equipment purchases, etc.

Source	Amount	Commitment Status	Use of Funds
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
<b>Total Project Funding</b>	<b>\$</b>		